

SUNDRY MATTERS AFFECTING THE MILITARY ESTABLISHMENT

APRIL 28 (legislative day, MARCH 30), 1942.—Ordered to be printed

Mr. HILL, from the Committee on Military Affairs, submitted the following

REPORT

[To accompany H. R. 4476]

The Committee on Military Affairs, to whom was referred the bill (H. R. 4476) providing for sundry matters affecting the Military Establishment, having considered the same, submit the following report thereon, with the recommendation that it do pass with the following amendments:

Page 1, lines 4 and 5, strike out the words "for the fiscal year ending June 30, 1942".

Page 1, line 12, and page 2, line 1, strike out the words "during the fiscal year ending June 30, 1942".

Page 2, line 2, strike out the word "flying", and in its place insert the word "aviation".

Page 2, line 4, after the words "Army Nurse Corps", strike out the word "and".

Page 2, strike out all of lines 6 and 7 and, on line 8, strike out the words "thereto for training", and in their place insert the word "and".

Page 2, line 10, strike out all after the word "flights", strike out all of lines 11, 12, 13, and 14 and in their place insert the words "are hereby suspended".

Page 2, line 15, insert "(a)" after "3". On lines 16 and 17 strike out the following phrase "during the fiscal year ending June 30, 1942, in connection with military construction, defense installations,".

Page 2, line 21, after the word "States", insert the following: "or in Alaska".

Page 3, line 1, after the word "States", insert the following: "or in Alaska".

Page 3, line 3, strike out the words "household goods and".

Page 3, line 5, after the word "States", insert the following: "or in Alaska"; and on lines 6, 7, and 8, strike out the semicolon and the words "and to provide for transportation of the dependents of such employees by such means as may be found expedient".

Page 3, following line 8, insert subsections (b) and (c) as follows:

(b) When civilian employees of the War Department are on duty at places designated by the Secretary of War as within zones from which their dependents should be evacuated for military reasons, or upon transfer or assignment to duty of such civilian employees to places where their dependents are not for military reasons permitted to accompany them, their dependents and household effects may be moved at Government expense under such regulations as the Secretary of War may prescribe, to such locations as may be designated by the employee concerned and later from such locations to a duty station to which the employee is assigned and at which the above restrictions do not apply: *Provided*, That the provisions of this subsection shall be applicable to travel performed by dependents and household effects moved on and after December 8, 1941.

(c) When civilian employees of the War Department are assigned to temporary duty away from their permanent station on orders which do not provide for return to the permanent station, or which do not specify or imply any limit to the period of absence from the permanent station, their dependents and household effects may be moved at Government expense, under such regulations as the Secretary of War may prescribe, to such location in the United States as may be designated by the employee concerned and later from such location to a permanent duty station to which the employee is assigned, subject to such regulations as the Secretary of War may prescribe regarding the shipment of dependents into specified zones: *Provided*, That the provisions of this subsection shall be applicable to travel performed by dependents and household effects moved on and after December 8, 1941.

Page 3, lines 9 and 10, after the words "SEC. 4." insert "(a)", and strike out the words "for the fiscal year ending June 30, 1942,".

Page 3, lines 14 and 15, strike out the words "the Officers' Reserve Corps, the Enlisted Reserve Corps, and the National Guard", and in their place insert the following: "corresponding grades in the Army of the United States".

Page 3, line 16, strike out all after the word "States", strike out all of lines 17, 18, and 19, and in place thereof insert a comma and the following:

and from home to first station and from last station to home when ordered to or relieved from active duty: *Provided*, That the provisions of this subsection shall be applicable to travel performed by dependents on and after September 8, 1939.

Page 3, following line 19, insert subsections "(b)", "(c)", and "(d)" as follows:

4 (b) When such military personnel are on duty at places designated by the Secretary of War as within zones from which their dependents should be evacuated for military reasons, or upon transfer or assignment to duty of such military personnel to places where their dependents are not, for military reasons, permitted to accompany them or where Government quarters for their dependents are not available, dependents for whom travel allowances and travel in kind is authorized, and household effects which are authorized to be moved at Government expense, may be moved at Government expense to such locations as may be designated by the officer, warrant officer, or enlisted man concerned and later from such locations to a duty station to which such officer, warrant officer, or enlisted man may be assigned and at which the above restrictions do not apply: *Provided*, That the provisions of this subsection shall be applicable to travel performed by dependents and household effects moved on and after December 8, 1941.

(c) When such military personnel are assigned to temporary duty away from their permanent station on orders which do not provide for return to their permanent station, or which do not specify or imply any limit to the period of absence from the permanent station, dependents for whom travel allowances and travel in kind are authorized, and household effects which are authorized to be moved at Government expense on permanent change of station, may be moved at Government expense to such location in the United States as may be designated by the officer, warrant officer, or enlisted man concerned and later from such location to a permanent duty station to which the officer, warrant officer, or enlisted man is assigned, subject to such regulations as the Secretary of War may prescribe regarding the shipment of dependents into specified zones: *Provided*, That the provisions of this subsection shall be applicable to travel performed by dependents and household effects moved on and after December 8, 1941.

(d) Officers, warrant officers, and enlisted men of the Army of the United States, now in the active Federal service, for whom transportation of household effects is authorized, may elect to have such household effects moved at Government expense from their permanent station to any point in the United States, for storage at their own expense for the duration of the wars in which the United States is now engaged. After the termination of such wars such household effects may be moved from the point to which originally shipped to any permanent duty stations to which the officers, warrant officers, or enlisted men may be assigned.

Pages 3 and 4, strike out all of section 5.

Page 4, line 5, after "SEC." strike out "6" and insert "5", strike out the words "for the fiscal year", and on line 6 strike out the words "ending June 30, 1942, made available".

Page 4, line 13, after "SEC." strike out "7" and insert "6", and on lines 13 and 14 strike out the words "for the fiscal year ending June 30, 1942".

Page 4, line 15, after the words "Maritime Commission", insert the following: "and the War Shipping Administration".

Page 4, line 17, after "SEC." strike out "8" and insert "7", and on lines 17 and 18 strike out the words "for the fiscal year ending June 30, 1942".

Page 4, line 24, strike out the number "355".

Page 5, lines 1 and 2, strike out the phrase "40 U. S. C. 255", and at the end of line 2 change the period to a comma and insert the following:

and the land and interests therein, including the temporary use thereof, may be acquired and construction may be prosecuted thereon prior to the approval of the title by the Attorney General as required by section 355 of the Revised Statutes, as amended.

On page 5, line 3, after "SEC." strike out "9" and insert "8".

Page 5, line 10, after "SEC." strike out "10" and insert "9"; strike out all of line 16, and in its place insert the following: "period prescribed in section 16 of this Act."

Page 5, line 17, after "SEC." strike out "11" and insert "10", and on lines 17 and 18 strike out the words "for the fiscal year ending June 30, 1942".

Page 5, line 21, strike out the word "a" and in its place insert the word "one".

Page 6, line 1, after "SEC." strike out "12" and insert "11", and on lines 1 and 2 strike out the words "for the fiscal year ending June 30, 1942". On line 6, strike out the number "355". On lines 7 and 8, strike out the phrase "40 U. S. C. 255;". On line 8, after the comma, insert the following:

and the land, and interests therein, including the temporary use thereof, may be acquired and construction may be prosecuted thereon prior to the approval of the title by the Attorney General as required by section 355 of the Revised Statutes, as amended (40 U. S. C. 255),.

On line 9 strike out the words "until June 30, 1943" and in their place insert the words "during the period prescribed in section 16 of this Act."

Page 6, line 10, after "SEC." strike out "13" and insert "12", and strike out the words "for the fiscal year ending June 30, 1942,".

Page 6, line 21, after "SEC." strike out "14" and insert "13".

Page 7, lines 1 and 2, strike out the words "for the fiscal year ending June 30, 1942.", and in their place insert the words "during the period prescribed in section 16 of this Act."

Page 7, strike out all of Section 15.

Page 7, line 11, after "SEC." strike out "16" and insert "14", and on line 13, strike out the word "shall" and in its place insert the word "are". On line 14, strike out the word "be", and strike out the words "during the fiscal year 1942".

Page 7 following line 14, insert new sections 15 and 16 as follows:

SEC. 15. Except as provided in section 8 of this Act, nothing in this Act shall be effective to limit or affect any power or authority granted or conferred by the First War Powers Act, 1941, or the Second War Powers Act, 1942.

SEC. 16. The provisions of this Act shall remain in force during the continuance of the present war and for six months after the termination of the war, or until such earlier time as the Congress by concurrent resolution or the President by proclamation may designate.

H. R. 4476 was originally introduced for the purpose of giving legislative sanction to certain authorizations contained in the military appropriations bill for the fiscal year 1942. Because of the legislative situation in the House of Representatives, the appropriation bill became law before H. R. 4476 was passed. In view of the rapidly changing international situation, your committee and the War Department believed that developments might require further readjustment in the language of H. R. 4476, and since the authorizations immediately needed were already law for the fiscal year, your committee considered it advisable to withhold action on H. R. 4476, until more complete information should become available. The subsequent advent of war has justified this action, and your committee now recommends the enactment of H. R. 4476, with the above amendments, which are designed to meet the existing situation.

In general, the amendments recommended by your committee remove all fiscal year limitations and broaden certain other provisions of this act to meet the special conditions arising out of the war but restrict the authorizations contained in the bill to the period of war and for 6 months thereafter. The specific provisions of each section will be taken up individually.

Section 1, as amended, will permit the War Department for the period of the war to expend funds, which may be appropriated for that purpose, to provide for entertainment and welfare of the troops. It will also permit the Department to employ as interns certain graduates of reputable schools of medicine and osteopathy at a rate of pay

comparable to that paid by civilian institutions for like purposes. The first provisions will implement the activities of the War Department Special Services Branch (formerly the Morale Branch). The second provision is designed to give certain selected Reserve Officers' Training Corps graduates an additional year of instruction under Medical Corps supervision to insure a high standard for officer candidates for the Medical Corps.

Section 2, as amended, will suspend for the period of the war the existing restrictions as to the numbers of personnel who may be employed in the various branches and activities of the Army and as to the number of officers who may be required to participate regularly and frequently in aerial flights. Your committee believe that the removal of these restrictions is essential to proper organizational planning to meet the progressive development of a well-balanced team prepared for combat under existing war conditions.

Section 3 (a), as amended, permits the transportation of the household effects and dependents of civilian employees who were transported to overseas bases prior to the war. Because of the shortage of labor at those points, and to enable the Department to obtain the services of qualified personnel, it was found essential to send their dependents and household effects along with the employee prior to the war.

Upon the outbreak of war, and for some time prior thereto, it was considered essential to evacuate the dependents and household effects of some civilian employees from danger areas. This situation continues to exist in some areas and may come to exist in other areas under the varying war conditions. Section 3 (b) will permit this to be done.

It has been found necessary in many cases to move civilian employees to temporary duty stations for indefinite periods, usually to places in danger areas. Under these conditions it is considered essential in many cases to move their families and household effects to home areas where they can receive the assistance of relatives and be more secure in the absence of the head of the family. Section 3 (c) will permit this to be done.

Your committee believes that this authority is essential to the welfare of the persons involved, and is in the best interest of the Government.

Section 4, as amended, will grant the same authority, where it does not exist, for military personnel, as will section 3 for civilian employees. In addition, section 4 (d) will permit military personnel who were, at the outbreak of war, and are now, stationed in the United States or elsewhere, and who have household effects with them, to ship these effects to storage points for the duration of the war. This will be at the election of the individual, and may only be accomplished once. Your committee believe that this will result in a saving to the Government, and will greatly facilitate the movement of military personnel under war conditions.

Section 5 has been stricken from the bill because the subject matter is covered in section 4, as amended.

Section 6, as amended (now sec. 5), permits the use of funds available for transportation of baggage, household effects and goods to be used for packing, crating, and unpacking such items under regulations prescribed by the Secretary of War. This provision has, with the exception of the item "unpacking," been repeatedly contained in appropriation acts. Your committee believe the authorization to be reasonable and necessary.

Section 7, as amended (now sec. 6), would authorize the Secretary of War to lease vessels from the Maritime Commission, the War Shipping Administration, and others. Those agencies do not now have legal authority to lease ships to the Army, and your committee believe that this authorization is essential to the proper prosecution of the war.

Section 8, as amended (now sec. 7), merely suspends certain laws for the period of the war insofar as they relate to the construction of buildings, utilities, and appurtenances at military posts, including the acquisition of land, rights pertaining thereto, leasehold and other interests therein, and temporary use thereof.

Section 9, as amended (now sec. 8), limits the fee to be paid the contractor as the result of any contract for public works entered into on or after September 9, 1940, for the construction and installation of buildings, utilities, and appurtenances at military posts to 6 percent of the estimated cost of the contract, exclusive of the fee, as determined by the Secretary of War.

Section 10, as amended (now sec. 9), extends, for the period of the war, the provisions of the act of March 5, 1940, which expired June 30, 1941. That act permits flexibility of procurement and speed of delivery with regard to procurement of airplanes and airplane parts, by permitting the Secretary of War to award contracts to not more than three responsible bidders, and to determine the basis for such awards on quality, time and rate of delivery, price, and the prevention of the overloading of plants.

Section 11, as amended (now sec. 10), permits continuation of the operation of the former Red River & Gulf Railroad which was acquired by the Government for the purpose of training the railroad-operating battalions of the Corps of Engineers.

Section 12, as amended (now sec. 11), suspends for the period of the war certain general laws, insofar as they relate to military construction and defense installation, regarding the acquisition of leasehold and other interest in land, and temporary use thereof. This function has been retarded by the legal requirement that the title to the property must be investigated and approved by the Attorney General prior to any action being taken with regard to occupation of the premises or commencement of construction thereon. Your committee believe that the suspension of these laws for this purpose is essential to the war program.

Section 13, as amended (now sec. 12) authorizes the Secretary of War to employ, without reference to existing law, architectural, engineering, technical, or professional corporations, firms, or individuals for war purposes when, in his opinion, the existing facilities

of the War Department are inadequate. It is at present contemplated that this authority will be used to employ civilian skill in drawing detailed plans and specifications for the Corps of Engineers and the Quartermaster Corps.

Section 14, as amended (now sec. 13) would continue in effect for the period of the war certain temporary provisions of the act of July 2, 1940, which granted general authorizations for the prosecution of the war program, including the use of the cost-plus-fixed-fee method of contracting without advertising.

Section 15 has been stricken from the bill since the subject matter thereof is covered by the First and Second War Powers Acts.

Section 16, as amended (now sec. 14), suspends for the period of the war all existing limitations as to the number of serviceable airplanes, airships, and free and captive balloons that may be equipped and maintained. Your committee believe that continued restrictions of this nature would seriously hamper the war effort.

Section 15 (new) is designed to save the provisions of the First War Powers Act, 1941, and the Second War Powers Act, 1942.

Section 16 (new) limits the provisions of this bill to the period of the war and six months thereafter, or such shorter period as the Congress or the President may prescribe.

House report on H. R. 4476 follows:

[H. Rept. No. 599, 77th Cong., 1st sess.]

The Committee on Military Affairs, to whom was referred the bill (H. R. 4476) providing for sundry matters affecting the Military Establishment, having considered the same, submit the following report thereon, with the recommendation that it do pass with the following amendments:

On page 1, section 1, after the word "internes" at the end of line 7, insert the following:

who are graduates of or have successfully completed at least 4 years professional training in reputable schools of medicine or osteopathy.

Strike section 4, on page 3, in its entirety and substitute in lieu thereof the following:

SEC. 4. That any funds available for the fiscal year ending June 30, 1942, for the payment of travel allowances and travel in kind, shall be available for the payment of such allowances as are now or may hereafter be authorized for dependents of personnel of the Regular Army, for travel of dependents of personnel of the Officers' Reserve Corps, the Enlisted Reserve Corps, and the National Guard while in the service of the United States when ordered to active duty for periods in excess of fifteen days, including transportation from home to first station, from last station to home upon relief from active duty, and upon permanent change of station.

Section 8, on page 4, after the word "available" in line 17 insert the following:

with the approval of the Secretary of War.

Section 11, on page 5, strike the word "railroad" in lines 16 and 17 and after the word "operation" in line 17 thereof, insert the following: of a railroad not more than one hundred miles in length.

At the end of section 14, on page 6, insert the following sections:

SEC. 15. The Secretary of War, may, with respect to contracts for public works for the Military Establishment, whether or not for construction at military posts, entered into upon a cost-plus-a-fixed-fee basis out of funds appropriated for the fiscal year 1942 or authorized to be entered into prior to July 1, 1942, waive the requirements as to performance and payment bonds of the act approved August 24, 1935 (49 Stat. 793; 40 U. S. C. 270a).

SEC. 16. All existing limitations with respect to the number of serviceable airplanes, airships, and free and captive balloons that may be equipped and maintained shall be suspended during the fiscal year 1942.

By the provisions of H. R. 4476, the War Department requests the House of Representatives, through the Committee on Military Affairs, to grant it authority to do certain specific things which it has heretofore been empowered to do by the Appropriations Committee of the House.

Since H. R. 4476 is rather voluminous, containing 16 different sections dealing with many different problems, many of which are not directly related, your committee deem it advisable to discuss the provisions thereof as briefly as possible, section by section:

Section 1: This section authorizes the Secretary of War to provide—

(a) Entertainment and instruction in connection with the welfare of enlisted personnel.

The War Department Morale Branch envisions a weekly radio program conducted for the entertainment and instruction of enlisted personnel (of the Army of the United States) in the various camps, posts, and stations, and also the dissemination of information relative to recreation and welfare activities to newspapers, periodicals, and publications. Quite naturally, preparing and conducting these facilities will result in some expense.

(b) Employment of interns in the Medical Department at not to exceed \$720 per annum.

This will permit the War Department to give certain selected Reserve Officers' Training Corps graduates an additional year of instruction under Medical Corps supervision, thus insuring a high standard for officer candidates for the Medical Corps. The proposed rate of pay compares favorably with that paid in civilian hospitals.

Section 2: This section removes the limitation provided in existing law as to the strength of any branch of the Army, the number of flying cadets in the Army Air Corps, the number of assistant superintendents of the Army Nurse Corps, and the number and grade of Reserve officers who may be ordered to extended active duty with the Air Corps during the fiscal year 1942, and provides that, exclusive of the officers of the Army Air Corps and those assigned thereto for training, the number of officers of the Army who may be required to participate regularly and frequently in aerial flights during the fiscal year 1942 shall not exceed 5 percent of the total authorized commissioned strength of the Army.

The proposed removal of limitations as to the strength of any branch of the Army would enable the War Department to meet the requirements of the present situation. Various sections of the National Defense Act specify the commissioned and enlisted strengths of the respective branches of the Army. The removal of these limitations is essential to proper organizational planning to meet the progressive

developments of a well-balanced team prepared for combat under modern and constantly changing conditions.

The proposed removal of limitations as to the number of flying cadets in the Army Air Corps for the fiscal year 1942 is only an extension of the removal of the limitation in this respect authorized for 1941. Every effort is being made to have at least 25,000 flying cadets during the fiscal year 1942.

The proposed removal of limitations as to the number of assistant superintendents of the Army Nurse Corps will enable the War Department to meet the requirements of the temporarily enlarged Army of the United States. The present authorized assistant superintendents of the Army Nurse Corps is not sufficient to meet the requirement of the existing situation.

The proposed removal of the limitation as to the number and grade of Reserve officers who may be ordered to extended active duty with the Air Corps is merely an extension of the removal of limitations in this respect authorized for 1941. The War Department deems the continuation of this suspension for the fiscal year 1942 vital in meeting the requirements of the existing national-defense situation. The provisions in this section regarding the number of officers of the Army who may be required to participate regularly and frequently in aerial flights during the fiscal year ending June 30, 1942, is a continuation of the provision carried in the Third Supplemental National Defense Appropriation Act of 1941 under "Pay of the Army." The original limitation to 1 percent is contained in section 20 of the Joint Pay Act of June 10, 1922, as amended by section 6 of the act of July 2, 1926.

Section 3: This section authorizes the Secretary of War, during the fiscal year ending June 30, 1942, in connection with the appropriation for "Military instruction, defense installations" to effect appointments of civilian employees in the United States or to effect the transfer of such employees in the Federal service in the United States for duty at points outside the continental limits of the United States at which it may be found necessary to assign such civilian employees and to pay the cost of transportation of said employees from the place of engagement in the United States or from the present post of duty in the United States if already in the Federal service, to the post of duty outside the United States and return upon relief therefrom, and to provide for the shipment of household goods and personal effects of persons so appointed or transferred from the place of engagement or transfer to the post of duty outside the continental United States and return upon relief therefrom, and to provide for transportation of dependents of such employees by such means as may be found expedient. Your committee deems this authorization necessary in order to enable the War Department to carry out its construction program in connection with the newly acquired Atlantic bases. Technical labor required in connection with this construction is not obtainable locally. It will be necessary to employ the labor required in the United States. In order to provide the high type of labor required it is considered necessary to furnish transportation of the dependents and household goods and the War Department desires authority to utilize commercial means of transportation in event Government transportation is not available.

Section 4: Your committee is of the opinion that section 4 will make certain that during the fiscal year ending June 30, 1942, Reserve

personnel and National Guard personnel will receive the same travel allowances while on active duty as will be received by Regular personnel and retired personnel.

Section 5: This section would authorize for the fiscal year ending June 30, 1942, the same travel allowances and travel in kind for dependents of retired officers, retired warrant officers, and retired enlisted men of the first three grades and enlisted men of the first three grades of the Regular Army Reserve as are now, or may hereafter be, authorized for dependents of the personnel of the Regular Army, including travel allowances and travel in kind for dependents when such personnel is ordered to active duty and upon relief therefrom.

Section 6: This section would authorize for the fiscal year ending June 30, 1942, the transportation of baggage, household effects, and goods and packing, crating, and unpacking of such baggage, household effects, and goods in the manner and under such conditions of service of military and civilian personnel including retired officers, retired warrant officers, and retired enlisted men of the first three grades and enlisted men of the first three grades of the Regular Army Reserve when ordered to active duty and upon relief therefrom as the Secretary of War may prescribe and designate by regulations.

The only difference between this and the provisions of prior annual appropriation acts is the provision for the unpacking of baggage.

Section 7: This section would authorize the Secretary of War, during the fiscal year 1942, to lease vessels from the Maritime Commission and others. The Maritime Commission at present is not authorized by law to lease vessels to the Army. The rental of boats is a detail of operation necessarily incident to the administration of the War Transport Service.

Section 8: This section merely suspends certain general laws during the fiscal year of 1942 insofar as they relate to construction of buildings, utilities, and appurtenances at military posts, including the acquisition of land, rights pertaining thereto, leasehold and other interests therein, and temporary use thereof.

Section 9: This section fixes the fee to be paid the contractor as the result of any contract for public works entered into on or after September 9, 1940, for the construction and installation of buildings, utilities, and appurtenances at military posts at not to exceed 6 percent of the estimated cost of the contract, exclusive of the fee as determined by the Secretary of War.

Section 10. The act of March 5, 1940, authorizes the Secretary of War to award contracts for airplanes and airplane parts to not more than three most responsible bidders; that the determination as to such awards shall be based upon quality, time and rate of delivery, price, and the prevention of the overloading of plants in the interest of national defense. This authority permits flexibility of procurement and speeds delivery by splitting contracts. This act, by its terms, expires June 30, 1941.

Your committee believes that the continuation of this authority throughout the fiscal year 1942 is most essential in the procurement of the Air Corps program, since the volume of airplane procurement in 1942 will be very large. Section 10 hereof continues this authority during the fiscal year 1942.

Section 11: The War Department has assured your committee that this section does not contemplate the acquisition or operation of any

railroads other than those previously acquired. The Fifth Supplemental National Defense Appropriation Act of 1941 authorized the purchase of the Red River & Gulf Railroad and railroad equipment and supplies to provide training facilities for the Eighty-second Engineer Battalion. This section will permit the continued operation of this railroad and training of the Eighty-second Engineer Battalion, and will authorize the acquisition of small amounts of additional land for spurs and other maintenance purposes for this railroad.

Section 12: This section suspends certain general laws during the year 1942 and the fiscal year ending June 30, 1943, insofar as they relate to military construction and defense installation regarding the acquisition of leasehold and other interest in land and the temporary use thereof.

Your committee is of the opinion that the suspension of these laws for the time herein set out is essential to the proper functioning of the national-defense program.

Section 13: This section authorizes the Secretary of War for the fiscal year 1942 to employ, by contract or otherwise, without reference to existing law and at such rates of compensation as he may determine, architectural, engineering, technical, or professional corporations, firms, or individuals for the production of plans and specifications required for any War Department project and for the supervision of its accomplishment when he deems it advantageous to national defense, and when, in his opinion, the existing facilities of the War Department are inadequate. It occasionally becomes necessary for the War Department to hire civilian architectural firms in order that detailed plans and specifications may be procured in the most expeditious and economical manner. It is now contemplated that such civilian skill will be utilized to furnish detailed drawings and specifications of searchlights and other highly technical articles of equipment to the Engineer Corps and for the preparation of plans and specifications of Army transports to the Quartermaster Corps.

Section 14: By this section certain provisions of Public Law No. 703, Seventy-sixth Congress, are proposed to be continued for the fiscal year 1942. These provisions contain general authorization for the prosecution of military works, including the use of the cost-plus-a-fixed-fee method of contracting and procurement without advertising. Your committee believes that the continuation of these methods of contracting is essential to the national-defense work contemplated for the next fiscal year in order to permit the necessary flexibility of procurement methods.

Section 15: By the terms of the Miller Act, the requirement for obtaining performance bonds and so-called payment bonds in the case of all contracts for public works is mandatory in the case of a contract for public work entered into on a "cost-plus-a-fixed-fee" basis. The cost of such bonds would be reflected immediately in the cost to the Government because the Government pays all of the costs of the contracts of that nature and the necessity of such bonds in the case of a cost-plus-a-fixed-fee contract is far different from that in the case of a lump-sum contract. This is particularly true with reference to payment bonds. The payment bond was intended to serve as a protection to mechanics, laborers, and material men during services, or materials entering into the contract, but in the case of a cost-plus-a-fixed-fee contract the Government does not reimburse the contractor at all

until it is assured that said contractor has paid these very bills. Your committee therefore feels that the expenditure of Government funds for such a purpose is futile and unnecessary.

Section 16: Based upon evidence submitted by the War Department your committee is of the opinion that a continuation of the authority embraced in section 16 during the fiscal year 1942 is quite necessary because of the present emergency.

Your committee wishes to commend the action of the War Department in seeking legislative authority to carry on its vast program during the present national emergency through the regularly constituted governmental channels.

In compliance with rule XIII the following statement of existing law and proposed changes is submitted:

EXISTING LAW

H. R. 4476

SEC. 2. (a) During the fiscal year 1941, all existing limitations with respect to the number of flying cadets in the Army Air Corps, and with respect to the number and rank of Reserve Air Corps officers who may be ordered to extended active duty with the Air Corps, shall be suspended. (Public, No. 703, 76th Cong.)

For pay of the Army, * * * *Provided*, That this appropriation shall not be subject to any limitation on the enlisted strength of the Army, * * * nor on the number of assistant superintendents of the Army Nurse Corps: *Provided further*, That, exclusive of officers of the Army Air Corps, including those assigned thereto for training, the number of officers of the Army who may be required to participate regularly and frequently in aerial flights during the fiscal year 1941 shall not exceed 5 per centum of the total authorized commissioned strength of the Army, notwithstanding the provisions of section 20, Act of June 10, 1922, as amended. (Title I, 3rd Supplemental National Defense Appropriation Act 1941, Public, No. 800, 76th Cong.)

Military construction, defense installations: * * * *Provided*, That under this appropriation the Secretary of War is authorized to effect appointments of employees in the United States, or to effect the transfer of employees in the Federal service in the

* * * That the Secretary of War be, and hereby is, authorized out of any moneys available for the War Department for the fiscal year ending June 30, 1942, to provide for entertainment and instruction in connection with the welfare of enlisted personnel; to provide for the employment of internes in the Medical Department, at not to exceed \$720 per annum.

SEC. 2. That during the fiscal year ending June 30, 1942, all provisions of existing law limiting the strength of any branch of the Army, the number of flying cadets in the Army Air Corps, the number of assistant superintendents of the Army Nurse Corps, and the number and grade of reserve officers who may be ordered to extended active duty with the Air Corps, shall not apply:

Provided, That, exclusive of officers of the Army Air Corps and those assigned thereto for training, the number of officers of the Army who may be required to participate regularly and frequently in aerial flights during the fiscal year ending June 30, 1942, shall not exceed 5 per centum of the total authorized commissioned strength of the Army, notwithstanding the provisions of section 20, Act of June 10, 1922, as amended (10 U. S. C. 292).

SEC. 3. That the Secretary of War is hereby authorized, during the fiscal year ending June 30, 1942, in connection with military construction, defense installations, to effect appointments of civilian employees in the United States, or to effect the transfer of such em-

EXISTING LAW

H. R. 4476

United States, for duty at any point outside the continental limits of the United States at which it may be found necessary to assign such civilian employees, and to pay the costs of transportation of such employees from place of engagement in the United States, or from present post of duty in the United States, in the case of those employees already in the service of the United States, to the post of duty outside the United States, and return upon completion of assignment or after such period of service as may be prescribed by the head of the Department to provide for the shipment of household goods and personal effects of persons so appointed or transferred from place of engagement or from present post of duty in the United States to the post of duty outside the continental United States; and to provide for the transportation of the dependents of such appointees or employees, either by commercial or Government-operated vessels, as may be found expedient. (Title I, Fifth Supplemental National Defense Appropriation Act, 1941, Public Law 29, 77th Cong.) (under caption Corps of Engineers)

SEC. 12. That hereafter when any commissioned officer, noncommissioned officer of the grade of color sergeant and above, including any noncommissioned officer of the Marine Corps of corresponding grade, warrant officer, chief petty officer, or petty officer (first class), having a wife or dependent child or children, is ordered to make a permanent change of station, the United States shall furnish transportation in kind from funds appropriated for the transportation of the Army, the Navy, the Marine Corps, the Coast Guard, the Coast and Geodetic Survey, and the Public Health Service to his new station for the wife and dependent child or children: * * * (Act of May 18, 1920, 41 Stat. 604; 10 U. S. C. 756).

* * * for travel in kind, or reimbursement in lieu thereof, as now authorized by law for officers of the Regular Army, of dependents of Reserve officers who have been ordered to active duty for periods in excess of fifteen days; * * * (Military Appropriation Act 1941, Public, No. 611, 76th Cong.) (under caption Organized Reserves).

employees in the Federal Service in the United States, for duty at any point outside the continental limits of the United States at which it may be found necessary to assign such civilian employees, and to pay the costs of transportation of such employees from the place of engagement in the United States, or from the present post of duty in the United States, if already in the Federal Service, to the post of duty outside the United States and return upon relief therefrom, and to provide for the shipment of household goods and personal effects of persons so appointed or transferred from the place of engagement or transfer to the post of duty outside the continental United States and return upon relief therefrom; and to provide for transportation of the dependents of such employees by such means as may be found expedient.

SEC. 4. That any funds available for the fiscal year ending June 30, 1942, for the payment of travel allowances and travel in kind, shall be available for such allowances as are now or may hereafter be authorized for dependents of personnel of the Regular Army, for travel of dependents of personnel of the National Guard while in the service of the United States and for members of the Officers' Reserve Corps and Enlisted Reserve Corps, when ordered to active duty for periods in excess of fifteen days.

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For * * * transportation, or reimbursement therefor, of * * * dependents of military personnel, including those of retired officers ordered to active duty and upon relief therefrom; * * * (Military Appropriation Act 1941, Public, No. 611, 76th Cong.) (under caption Travel of the Army).

For travel of the Army, including travel of dependents of retired warrant officers, retired enlisted men of the first three grades, and enlisted men of the first three grades of the Regular Army Reserve, when such warrant officers or enlisted men are ordered to active duty and upon relief therefrom, * * * (Third Supplemental National Defense Appropriation Act, 1941, Public, No. 800, 76th Cong.) (under caption Travel of the Army).

Army transportation: For transportation of * * * authorized baggage (including baggage of retired officers ordered to active duty or upon relief therefrom), including packing and crating; * * * (Military Appropriation Act 1941, Public, No. 611, 76th Cong.) (under caption Quartermaster Corps).

For Army transportation, including packing and crating and transportation of authorized baggage of retired warrant officers, retired enlisted men, and enlisted men of the Regular Army Reserve when ordered to active duty and upon relief therefrom, * * * (Third Supplemental National Defense Appropriation Act, 1941, Public, No. 800, 76th Cong.) (under caption Quartermaster Corps Army Transportation).

Military posts: For construction of buildings, utilities, and appurtenances at military posts, including the acquisition of land, rights pertaining thereto, leasehold and other interests therein and temporary use thereof, without regard to the provisions of sections 355, 1136, and 3648, Revised Statutes, as amended (10 U. S. C. 1339; 40 U. S. C. 255; 31 U. S. C. 529), * * * to remain available until June 30, 1942, * * * (Title I, Fifth Supplemental National Defense Appropriation Act, 1941, Public Law 29, 77th Cong.) (under caption Quartermaster Corps).

SEC. 5. That any funds available for the fiscal year ending June 30, 1942, for the payment of travel allowances and travel in kind shall be available for the payment of such allowances, as are now or may hereafter be authorized for dependents of personnel of the Regular Army, for travel of dependents of retired officers, retired warrant officers, and retired enlisted men of the first three grades and enlisted men of the first three grades of the Regular Army Reserve, including such allowances for dependents, when such personnel is ordered to active duty and upon relief therefrom.

SEC. 6. That any funds available for the fiscal year ending June 30, 1942, made available for the transportation of baggage, household effects and goods, shall be available for the transportation, packing, crating, and unpacking of such baggage, household effects and goods, in the manner and under such conditions of service of military and civilian personnel as the Secretary of War may prescribe and designate by regulations.

SEC. 7. That any funds available for the fiscal year ending June 30, 1942, for Army transportation, shall be available for the lease from the Maritime Commission or others of boats and other vessels.

SEC. 8. That any funds available for the fiscal year ending June 30, 1942, for construction of buildings, utilities, and appurtenances at military posts shall be available for the purposes specified by existing law and in appropriation Acts, including the acquisition of land, rights pertaining thereto, leasehold and other interests therein, and temporary use thereof, without regard to the provisions of sections 355, 1136, and 3648, Revised Statutes, as amended (10 U. S. C. 1339; 40 U. S. C. 255; 31 U. S. C. 529).

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* * * *Provided further*, That the fixed fee to be paid the contractor as a result of any contract for public works entered into on or after September 9, 1940, for the construction and installation of buildings, utilities, and appurtenances at military posts shall not exceed 6 per centum of the estimated cost of the contract, exclusive of the fee, as determined by the Secretary of War.

* * * (Title I, Third Supplemental National Defense Appropriation Act, 1941, Public, No. 800, 76th Cong.) (under caption Military Posts).

SEC. 401. Suspension of profit-limiting provisions of The Vinson Act.—The provisions of section 3 of the Act of March 27, 1934 (48 Stat. 505; 34 U. S. C., sec. 496), as amended, beginning with the first proviso thereof, and section 2 (b) of the Act of June 28, 1940 (Public, Numbered 671, Seventy-sixth Congress, third session), shall not apply to contracts or subcontracts for the construction or manufacture of any complete naval vessel or any Army or Navy aircraft, or any portion thereof, which are entered into in any taxable year to which the excess profits tax provided in subchapter E of Chapter 2 of the Internal Revenue Code is applicable or would be applicable if the contractor or subcontractor, as the case may be, were a corporation, and any agreement to pay into the Treasury profit in excess of 10 per centum, 12 per centum, or 8 per centum, as the case may be, of the contract prices of any such contracts or subcontracts shall be without effect. This section shall also apply to such contracts or subcontracts which were entered into before the date of the beginning of the contractor's or subcontractor's first taxable year which begins in 1940 and which are not completed before such date. (Title IV, Second Revenue Act of 1940, Public, No. 801, 76th Cong.)

Engineer Service, Army: * * * for expense of railroad operation, including purchase or lease of equipment and materials and the acquisition of lands, rights-of-way thereon, and other interests therein and temporary use thereof; * * * to remain available until June 30, 1942, * * * (Title I, Fifth Supplemental National Defense Appropriation Act, 1941, Public Law 29, 77th Cong.) (under caption Corps of Engineers).

SEC. 9. That the fixed fee to be paid the contractor as the result of any contract for public works entered into on or after September 9, 1940, for the construction and installation of buildings, utilities, and appurtenances at military posts shall not exceed 6 per centum of the estimated cost of the contract, exclusive of the fee, as determined by the Secretary of War.

SEC. 10. That the provisions of the Act to facilitate the procurement of aircraft for the national defense, approved March 5, 1940 (Public, Numbered 426, Seventy-sixth Congress), as amended by section 401 of the Second Revenue Act of 1940, approved October 8, 1940 (Public, Numbered 801, Seventy-sixth Congress), shall be effective during the fiscal year ending June 30 1942.

SEC. 11. That any funds available for the fiscal year ending June 30, 1942, for the Engineer Service, Army, in addition to the purposes for which available under existing law or appropriations, shall be available for expenses of railroad operation, including purchase or lease of equipment and materials and the acquisition of lands, rights-of-way thereon, and other interests therein and temporary use thereof.

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Military construction, defense installations: For * * * the acquisition of leasehold and other interests in land, and temporary use thereof, without regard to sections 3734 (40 U. S. C., 267), 355 (40 U. S. C., 255), and 1136 (10 U. S. C., 1339), as amended, of the Revised Statutes of the United States; * * * to remain available until June 30, 1942: * * * (Title I, Fifth Supplemental National Defense Appropriation Act, 1941, Public Law 29, 77th Cong.) (under caption Corps of Engineers).

For * * * the engagement by contract or otherwise without regard to section 3709, Revised Statutes (41 U. S. C. 5), and at such rates of compensation as the Secretary of War may determine, of the services of architects or firms or corporations thereof and other technical and professional personnel as may be necessary; * * * (Military Appropriation Act, 1941, Public, No. 611, 76th Cong.) (under caption Military Posts).

* * * (a) in order to expedite the building up of the national defense, the Secretary of War is authorized, out of the moneys appropriated for the War Department for national-defense purposes for the fiscal year ending June 30, 1941, with or without advertising (1) to provide for the necessary construction, rehabilitation, conversion, and installation at military posts, depots, stations, or other localities, of plants, buildings, facilities, utilities, and appurtenances thereto (including Government-owned facilities at privately owned plants and the expansion of such plants, and the acquisition of such land, and the purchase or lease of such structures, as may be necessary), for the development, manufacture, maintenance, and storage of military equipment, munitions, and supplies, and for shelter; (2) to provide for the development, purchase, manufacture, shipment, maintenance, and storage of military equipment, munitions, and supplies, and for shelter, at such places and under such conditions as he may deem necessary; and (3) to enter into such contracts (including contracts for educational orders, and for the exchange of deteriorated, unserviceable, obsolescent, or surplus military equipment, munitions, and supplies for other military equipment, munitions, and supplies of which there

Sec. 12. That any funds available for the fiscal year ending June 30, 1942, for military construction, defense installations, in addition to the purposes for which available under existing law or appropriations, shall be available for the acquisition of leasehold and other interests in land, and the temporary use thereof, without regard to sections 355, 1136, and 3734, Revised Statutes, as amended (40 U. S. C. 255; 10 U. S. C. 1339; 40 U. S. C. 267), and shall remain available for such purposes until June 30, 1943.

Sec. 13. That for the fiscal year ending June 30, 1942, when deemed by the Secretary of War to be advantageous to the national defense, and if in his opinion the existing facilities of the War Department are inadequate, he is hereby authorized to employ, by contract or otherwise, without reference to section 3709, Revised Statutes, and at such rates of compensation as he may determine, architectural, engineering, technical, or professional corporations, firms, or individuals for the production of plans and specifications required for any War Department project, and for the supervision of its accomplishment.

Sec. 14. That the provisions of section 1 (a) and 1 (b) of the Act entitled "An Act to expedite the strengthening of the national defense," approved July 2, 1940 (Public, Numbered 703, Seventy-sixth Congress), are hereby continued in effect and made applicable to moneys appropriated for the War Department for national defense purposes for the fiscal year ending June 30, 1942.

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is a shortage), and to amend or supplement such existing contracts, as he may deem necessary to carry out the purposes specified in this section: *Provided*, That the limitations contained in sections 1136 and 3734 of the Revised Statutes, as amended, and any statutory limitation with respect to the cost of any individual project or construction, shall be suspended until and including June 30, 1942, with respect to any construction authorized by this Act: *Provided further*, That no contract entered into pursuant to the provisions of this section which would otherwise be subject to the provisions of the Act entitled "An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes," approved June 30, 1936 (49 Stat. 2036; U. S. C., Supp. V, title 41, secs. 35-45), shall be exempt from the provisions of such Act solely because of being entered into without advertising pursuant to the provisions of this section: *Provided further*, That the cost-plus-a-percentage-of-cost system of contracting shall not be used under this section; but this proviso shall not be construed to prohibit the use of the cost-plus-a-fixed-fee form of contract when such use is deemed necessary by the Secretary of War.

(b) The Secretary of War is further authorized, with or without advertising to provide for the operation and maintenance of any plants, buildings, facilities, utilities, and appurtenances thereto constructed pursuant to the authorizations contained in this section and section 5, either by means of Government personnel or through the agency of selected qualified commercial manufacturers under contracts entered into with them, and, when he deems it necessary in the interest of the national defense, to lease, sell, or otherwise dispose of, any such plants, buildings, facilities, utilities, appurtenances thereto, and land, under such terms and conditions as he may deem advisable, and without regard to the provisions of section 321 of the Act of June 30, 1932 (47 Stat. 412). (Subsecs. 1 (a) and 1 (b), Public, No. 703, 76th Cong.)

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* * * the Secretary of War may, with respect to contracts for public works for the Military Establishment, whether or not for construction at military posts, entered into upon a cost-plus-a-fixed-fee basis out of funds appropriated for the fiscal year 1941 or authorized to be entered in to prior to July 1, 1941, waive the requirements as to performance and payment bonds of the Act approved August 24, 1935 (49 Stat. 793; 40 U. S. C. 270a): * * * (Title I, Third Supplemental National Defense Appropriation Act, 1941, Public, No. 800, 76th Cong.) (under caption Military Posts).

SEC. 3. All existing limitations with respect to the number of serviceable airplanes, airships, and free and captive balloons that may be equipped and maintained shall be suspended during the fiscal year 1941. (Public, No. 703, 76th Cong.)

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SEC. 15. The Secretary of War may, with respect to contracts for public works for the Military Establishment, whether or not for construction at military posts, entered into upon a cost-plus-a-fixed-fee basis out of funds appropriated for the fiscal year 1942 or authorized to be entered into prior to July 1, 1942, waive the requirements as to performance and payment bonds of the Act approved August 24, 1935 (49 Stat. 793; 40 U. S. C. 270a).

SEC. 16. All existing limitations with respect to the number of serviceable airplanes, airships, and free and captive balloons that may be equipped and maintained shall be suspended during the fiscal year 1942.